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Addressing the Marion County Health Department's Need for A Comprehensive Resource Detailing Florida Medicare's Medical Necessity Policies

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Abstract

In the face of rising health care costs, the Marion County Health Department (MCHD) and similar organizations must be reimbursed for their services to the public. If health care providers are to be compensated properly, physicians and other practitioners who order tests and procedures must be aware of Medicare policies regarding medical necessity. The project's goal was to create a user-friendly handbook describing medical necessity for commonly ordered tests (Medical Necessity Handbook). MCHD staff members were trained in the use of the handbook and examined it for a two-week period before offering recommendations through unit supervisors. The handbook provides a simple, yet comprehensive resource for finding reimbursable policies so the MCHD can serve the community without sacrificing large financial outputs. Furthermore, the handbook can be easily updated so that it can continue to be useful to the MCHD and other sites that may choose to use it. A flow-chart of instructions for finding policy through the Florida Medicare website was added to handbooks for participants, allowing the Medical Necessity Handbook to continue to be a handy resource for at the MCHD and elsewhere. Use of the handbook is expected to have a positive impact, allowing public provider organizations like the MCHD to run more efficiently and cost effectively.

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Introduction

Costs in the health care system are continually rising in today's society. The Marion County Health Department (MCHD) is one of the many health care providers that is enduring these increasing costs. Although trying to provide efficient health care to its patients, the MCHD has been bearing an unnecessary financial burden due to a lack of compensation. However, abiding by Florida Medicare's published policies when ordering tests has been problematic because the MCHD has lacked the necessary resources to detail medical necessity.

With that in mind, the purpose of this project was to create a user-friendly billing and coding tool for the MCHD. The resulting resource is a *Medical Necessity Handbook* that lists all procedures that have been ordered previously within units of the MCHD. These procedures are connected to Florida Medicare's Local Medical Review Policies (LMRP) that describe the circumstances under which a test is deemed a medical necessity. This history of orders is important because Medicare will only reimburse a provider when a service is considered a medical necessity for the patient.

In creating this handbook, the main goal was to create a resource that would be useful for staff members who were submitting the appropriate paperwork to their fiscal intermediary, First Coast Options, Inc. Furthermore, MCHD has a high volume of patients each day and the patient flow keeps staff members busy. Therefore, the handbook needed to be a user-friendly and informative reference. To accomplish this end, training sessions were

conducted for each unit concerning use of the handbook. In addition, there was a two-week trial period to use the handbook and offer any suggestions or corrections for revision. Lastly, the handbook was projected as a resource that could be easily updated as regulations and procedures changed. Because Florida Medicare updates can occur every few weeks, instructions were provided for accessing the Florida Medicare website to find the appropriate LMRP for any procedures in question.

As a rural health care provider, the MCHD is challenged to bear the high costs of procedures that can be easily reimbursed with the correctly approved LMRP. Providing adequate health care to an indigenous population is the main goal of MCHD, and this project's goal was to ensure that the overall goal was assisted through the creation of *Medical Necessity Handbook*.

Study Description

It was important that the document produced addressed the medical necessity issues of the MCHD. Each unit - Child Health, Adult Health, and Women's Health- maintains a logbook to document the tests that are ordered for each patient. These logbooks were reviewed end-to-end, and every test ordered by the MCHD was recorded.

It was necessary to associate a Common Procedural Terminology (CPT) code with each of the tests on the compiled list. Using the index of the *2004 Edition of the Common Procedural Terminology Code Book* (American Medical Association, 2003), test names were cross-referenced

with their CPT codes. The descriptions of these codes were analyzed to determine whether the proper match had been made (Figure 1).

Figure 1: Example of a Procedure Listed in the Handbook with its Description and Corresponding CPT Codes

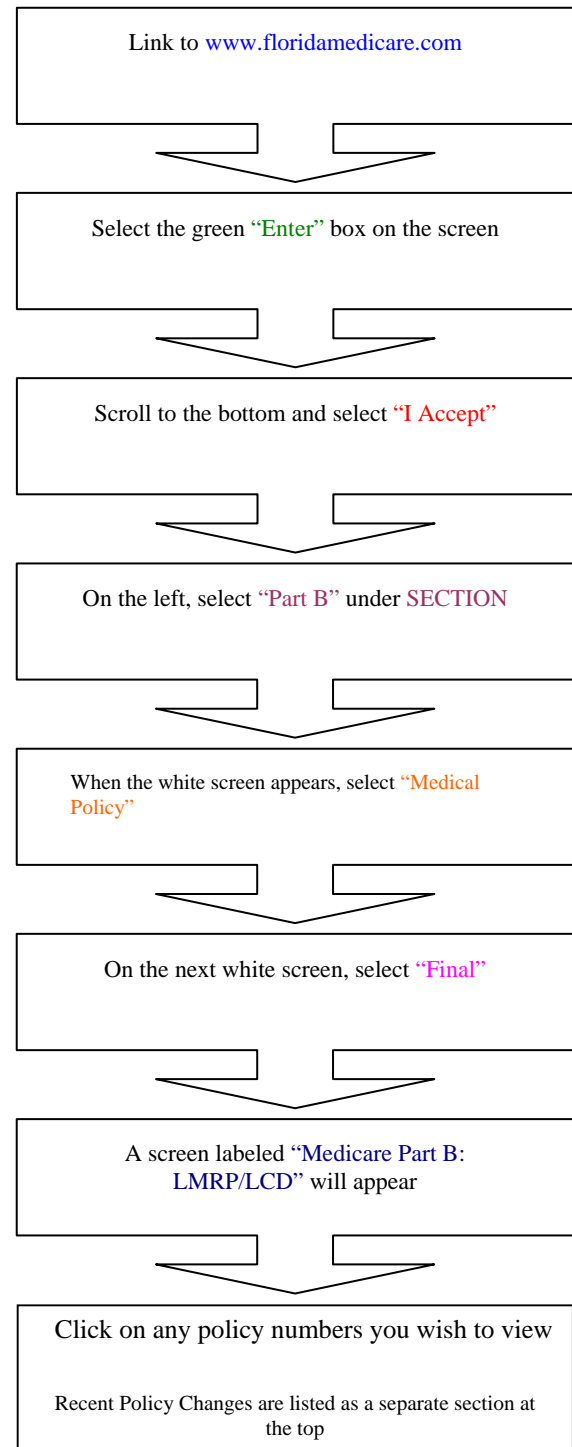
Biopsy of Lymph Nodes
CPT Codes: Biopsy or Excision of Open/Superficial Lymph Nodes - 38500
Open Deep Axillary Nodes - 38525
Open Internal Mamillary Nodes - 38530
For Identification of Sentinel Node – 38792
Lymphatics and Lymph Nodes Imaging – 78195
Description: Sentinel lymph node biopsy in breast carcinoma is a technique that allows sampling of the lymph node or nodes that directly form the drainage system of the area of the breast containing the carcinoma.

Once CPT Codes had been determined, it was appropriate to begin searching for region-specific Medicare policy that individually is known as Local Medical Review Policies (LMRPs). Medicare makes these policies available on their website as well as in various publications. At the suggestion of the Nursing Unit, the Florida Medicare website became a rich source of information. On the website is a policy section that is updated regularly. Each LMRP delineates the circumstances under which Medicare deems a certain procedure to be a medical necessity. It is only when a procedure is considered a medical necessity that Medicare reimburses the provider. Each LMRP is given a numerical designation to correspond with the CPT code of the procedure that the policy addresses.

The Florida Medicare website is equipped with a search engine to facilitate its policies to be explored using their CPT code designation (Figure 2). Each CPT code from the compiled list was entered into the search engine. The search was performed for 52 procedures, and in all but one case, it yielded a specific policy. The exception occurred in the search for a policy regarding an endometrial biopsy, and it was subsequently assumed that Medicare has no official policy regarding this procedure because no policy was found. The LMRPs that were obtained from this search were then transferred to the handbook. Each entry in the handbook contained a test's name, corresponding CPT code, description, and LMRP. Once the handbook was completed, it was printed and presented to each MCHD unit at individual training sessions. During the training session, the purpose and methods were described to the physicians and

practitioners. Use of the handbook was discussed along with the forms the LMRPs would take. Time was allowed for questions and feedback. The handbooks were then edited appropriately and distributed for two weeks of trial use.

Figure 2: Florida Medicare Website Access Information for the Staff to Find Updates on Specific Procedures



At the end of the two-week trial period, each unit supervisor was contacted to provide suggestions and corrections. Because no modifications were necessary, final copies of the handbook were made and distributed.

Discussion

When this project was launched, the MCHD presented a binder it had created filled with a list of 22 procedures and their medically necessary ICD-9 codes. This initial attempt at a handbook had not been successful because it was not comprehensive and it was difficult to update. The binder was organized with each procedure listed along with its full description and corresponding ICD-9 code. However, a description of each ICD-9 code was missing, and there was no differentiation between specific procedures. For example, a computerized tomography (i.e., CT scan) of the head can be a procedure performed with, without, or both with and without contrast. Florida Medicare makes a point to distinguish each type in its policies. This type of distinction was not represented in the binder.

In yet another attempt to provide units with a handbook, the MCHD had purchased the *Ingenix Customized LMRP*. Unfortunately, this resource was not as useful as the MCHD had hoped. First, it was difficult to provide each unit with a copy because of the product's expense. In addition, updates could only be obtained by further annual expenditures. In addition to these costs, the reference was neither comprehensive nor user-friendly. Whereas it addressed more tests than the MCHD's attempt at a handbook, utilizing the customized LMRP was too time-consuming. The index was confusing and difficult to reference. In addition, the way it was organized made it difficult to locate the sought-after information without moving back-and-forth among multiple sections of the binder.

In all previous attempts to create a handbook, there was a common thread. The LMRPs published by Medicare always fall into one of three different categories. For the purposes of this discussion, these are labeled in the following way: the ICD-9 Code Specific Policy (Figure 3), the Rule of Thumb Policy (Figure 4) and the No Official Policy (Figure 5). The ICD-9 Code Specific Policy contains a list of ICD-9 Codes. ICD-9 stands for the *International Classification of Diseases, Version Nine*. These codes are universal designations for various symptoms and disease processes. When listed in an ICD-9 Code Specific LMRP, these codes are the only ones that deem the test a medical necessity. No other ICD-9 Code will deem reimbursement necessary. The "Rule of Thumb" policy is less defined than the ICD-9 Code Specific

Policy. It gives a list of bulleted points that describe circumstances under which a test might be ordered. However, there is no specific code, which is necessary to prove medical necessity, and therefore reimbursement is generally provided without question. The final policy, No Official Policy, is the least definitive. In the case of this LMRP, Medicare has established no guidelines regarding the procedure. Therefore, medical necessity is completely up to the discretion of the ordering physician or practitioner, and reimbursement is generally provided without further documentation.

Conclusion

With the completed handbooks and a two-week trial to assess their utility, it can be concluded that the tool meets the goals set forth by the project guidelines. A reference has been provided that is comprehensive and informative. Dr. Amelia Ley of the MCHD commented that she was able to find test policies in the reference that she was not able to find elsewhere. Dr. Tom Porier of the MCHD's HIV Clinic stated that the handbook was a useful tool and especially "to the point." The physicians serving in the outlying clinics associated with the MCHD claimed that the tool was "user-friendly."

Another goal was to make the transition into using this resource as smooth as possible. That was accomplished through training sessions at the unit level held prior to distributing the handbooks for the trial period. The physicians and practitioners were educated about how to use the reference, and these circumstances also offered the opportunity to receive feedback on any additions or deletions that needed to be addressed prior to printing.

This handbook will not maintain its usefulness unless it is updated regularly. Detailed instructions of how to access new policies through the Florida Medicare Website have been provided (Figure 2). Members from each of the MCHD's units should visit the website on their regularly scheduled training day at the beginning of each month. If information is needed regarding procedures not addressed in the handbook, the instructions also provide access to additional procedure policies.

Overall there is pride where the *Medical Necessity Handbook* is concerned. The MCHD should benefit greatly from its use. Moreover, an instrument like this one would be useful in similar healthcare settings. Through updating and dissemination, the handbook will continue to impact health care positively through allowing public providers like the MCHD to run more efficiently and cost effectively.

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Figure 3: Example of the ICD-9 Code Specific Policy

	ICD-9 Codes That SUPPORT MEDICAL NECESSITY
440.0	Atherosclerosis of aorta
440.20-440.24	Atherosclerosis of native arteries of the extremities
440.30-440.32	Atherosclerosis of bypass graft of the extremities
441.00-441.03	Dissection of aorta
442.0	Other aneurysm of artery of upper extremity
442.3	Other aneurysm of artery of lower extremity
443.0	Raynaud's syndrome
443.1	Thromboangiitis obliterans [Buerger's disease]
443.81	Peripheral angiopathy in diseases classified elsewhere
443.9	Peripheral vascular disease, unspecified
444.0	Arterial embolism and thrombosis of abdominal aorta
444.1	Arterial embolism and thrombosis of thoracic aorta
444.21-444.22	Arterial embolism and thrombosis of arteries of the extremities
444.81-444.89	Arterial embolism and thrombosis of other specified artery
447.0	Arteriovenous fistula, acquired
447.1	Stricture of artery
447.2	Rupture of artery
707.10-707.19	Ulcer of lower limbs, except decubitus
707.8	Chronic ulcer of other specified sites
785.4	Gangrene
903.00	Injury to axillary vessel(s), unspecified
903.02	Injury to axillary vein
903.1	Injury to brachial blood vessels
903.2	Injury to radial blood vessels
903.3	Injury to ulnar blood vessels
903.4	Injury to palmar artery
903.5	Injury to digital blood vessels
903.8	Injury to other specified blood vessels of upper extremity
904.0	Injury to common femoral artery
904.1	Injury to superficial femoral artery
904.41	Injury to popliteal artery
904.51	Injury to anterior tibial artery
904.53	Injury to posterior tibial artery
904.6	Injury to deep plantar blood vessels
904.7	Injury to other specified blood vessels of lower extremity
996.1	Mechanical complication of other vascular device, implant, and graft
996.70-996.79	Other complications of internal (biological) (synthetic) prosthetic device, implant, and graft
998.11-998.13	Hemorrhage or hematoma or seroma complicating a procedure
998.2	Accidental puncture or laceration during a procedure

Figure 4: Example of the Rule of Thumb Policy

ICD-9 Codes That SUPPORT MEDICAL NECESSITY: Not Applicable

Florida Medicare will consider a CT of the thorax medically reasonable and necessary under the following circumstances:

- Evaluation of abnormalities of the lungs, mediastinum, pleura and chest wall initially found on a standard chest radiograph or barium swallow.
- Evaluation, staging, and follow-up after therapy (e.g., surgery, radiation, and/or chemotherapy) of lung and other primary thoracic malignancies.
- Evaluation of a patient with extrathoracic malignancies/tumors/masses in which the lungs are suspected as being the primary site.
- Evaluation of a patient who sustained trauma to the pleura, chest wall, mediastinum, and lung.
- Localization of a thoracic mass prior to biopsy.
- Evaluation of a patient with suspected congenital or acquired abnormalities.
- Evaluation of a patient with myasthenia gravis to rule out thymic tumors.
- Performance of CT-guided biopsies and drainage procedures when fluoroscopy is inadequate.
- Evaluation of a patient presenting with signs and/or symptoms suggestive of an aortic dissection. The most common symptom of an aortic dissection (occurring in approximately 90% of the cases) is sudden, excruciating pain most commonly located in the anterior chest. Patients may describe the pain as “cutting,” “ripping,” or “tearing”. A sudden neurologic episode usually accompanies the onset of most instances of “painless” aortic dissection.
- Evaluation of a patient with any other condition/symptom when there is support in medical and scientific literature for the effective use of the scan for the condition being evaluated and the scan is reasonable and necessary for the individual patient.

NOTE: Posterior and lateral views of the chest represent the basic screening tool in identifying abnormalities involving the thorax. It is expected that the chest x-ray is used to evaluate patients who present with signs and/or symptoms suggestive of chest pathology prior to proceeding to a CT scan.

Figure 5: Example of the No Official Policy

ICD-9 Codes That SUPPORT MEDICAL NECESSITY: Not Applicable

****Florida Medicare has no officially published LMRP for this procedure regarding medical necessity.**

References

American Medical Association. (2003). *Current Procedural Terminology: CPT 2004, Professional Edition*. Chicago, IL: Author.

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